

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 8-8-3 as follows:

6 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

7 Sec. 8-8-3. Audit requirements.

8 (a) The corporate authorities of each municipality coming
9 under the provisions of this Division 8 shall cause an audit of
10 the funds and accounts of the municipality to be made by an
11 accountant or accountants employed by such municipality or by
12 an accountant or accountants retained by the Comptroller, as
13 hereinafter provided.

14 (b) The accounts and funds of each municipality having a
15 population of 800 or more or having a bonded debt or owning or
16 operating any type of public utility shall be audited annually.
17 The audit herein required shall include all of the accounts and
18 funds of the municipality. Such audit shall be begun as soon as
19 possible after the close of the fiscal year, and shall be
20 completed and the report submitted within 6 months after the
21 close of such fiscal year, unless an extension of time shall be
22 granted by the Comptroller in writing. The accountant or
23 accountants making the audit shall submit not less than 2

1 copies of the audit report to the corporate authorities of the
2 municipality being audited. Municipalities not operating
3 utilities may cause audits of the accounts of municipalities to
4 be made more often than herein provided, by an accountant or
5 accountants. The audit report of such audit when filed with the
6 Comptroller together with an audit report covering the
7 remainder of the period for which an audit is required to be
8 filed hereunder shall satisfy the requirements of this section.

9 (c) Municipalities of less than 800 population which do not
10 own or operate public utilities and do not have bonded debt,
11 shall file annually with the Comptroller a financial report
12 containing information required by the Comptroller. Such
13 annual financial report shall be on forms devised by the
14 Comptroller in such manner as to not require professional
15 accounting services for its preparation.

16 (d) In addition to any audit report required, all
17 municipalities, except municipalities of less than 800
18 population which do not own or operate public utilities and do
19 not have bonded debt, shall file annually with the Comptroller
20 a supplemental report on forms devised and approved by the
21 Comptroller.

22 (e) Notwithstanding any provision of law to the contrary,
23 if a municipality (i) has a population of less than 200, (ii)
24 has bonded debt in the amount of \$50,000 or less, and (iii)
25 owns or operates a public utility, then the municipality shall
26 cause an audit of the funds and accounts of the municipality to

1 be made by an accountant employed by the municipality or
2 retained by the Comptroller for fiscal year 2011 and every
3 fourth fiscal year thereafter or until the municipality has a
4 population of 200 or more, has bonded debt in excess of
5 \$50,000, or no longer owns or operates a public utility.
6 Nothing in this subsection shall be construed as limiting the
7 municipality's duty to file an annual financial report with the
8 Comptroller or to comply with the filing requirements
9 concerning the county clerk.

10 (Source: P.A. 78-592.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.